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30 November 2005

*Via Facsimile (702) 293-8156*  
*Copy to Follow via US Mail*

Robert Johnson, Regional Director  
US Bureau of Reclamation  
Lower Colorado Region (Attn: BCOO-1000)  
PO Box 61470  
Boulder City, NV 89006-1470

Dear Mr. Johnson:

The City of Scottsdale ("Scottsdale") hereby submits its response to the September 30, 2005 Federal Register notice (70 FR 57322) soliciting public comment regarding development of management strategies for Lake Powell and Lake Mead under low reservoir conditions, including development of lower basin shortage guidelines.

More than 200,000 people rely on the City of Scottsdale to provide safe, reliable drinking water supplies. Central Arizona Project ("CAP") water is a vital component of the city's water supply portfolio. Nearly two-thirds (66%) of Scottsdale's water supply needs are currently met with this resource. Scottsdale has subcontracts for Municipal and Industrial priority water, non-Indian agricultural water, and excess CAP water. We also lease water from three Native American communities, and are participants in the Gila River Indian Community Water Rights Settlement Agreement, which will provide an additional leased supply.

Given that under the Law of the River, the CAP is the junior diverter in the lower basin, the management strategies being developed by the Bureau are of critical interest and importance to the City of Scottsdale. Because Arizona faces the greatest risk of shortage of all of the lower basin states, Scottsdale urges the Bureau to give special consideration to the comments provided by Scottsdale, the State of Arizona, the CAP, and other Arizona water users.

Scottsdale understands that others, including the Arizona Municipal Water Users' Association, and the City of Phoenix, will be providing comments on this issue. Scottsdale supports the general concepts contained in those letters, and would like to reiterate the following points:

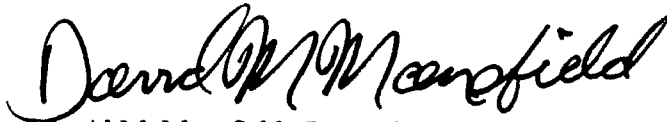
- Operation of Lakes Powell and Mead must be consistent with the Law of the River, and must consider that operation of the system for the generation of hydroelectric

power is subordinate to operation for water supply purposes. Water users should not be subject to increased shortages for the benefit of hydroelectricity production.

- We understand that the Bureau of Reclamation has been consulting with the seven basin states regarding conjunctive management of Lakes Powell and Mead. If conjunctive management of Lakes Powell and Mead is the implemented strategy, then the time frame for this management strategy may need to be extended beyond 2016, with the opportunity for review and revision preceding the expiration date.
- Through a public process established by the Arizona Department of Water Resources (DWR), the affected Colorado River water users in Arizona have tentatively decided on the following lower basin shortage volumes that should be evaluated by the Bureau. Shortages to the lower basin water users should be based on water level elevations at Lake Mead as follows:
  - 400,000 af shortage at or below 1075 ft at Lake Mead
  - 500,000 af shortage at or below 1050 ft at Lake Mead
  - 600,000 af shortage below 1025 ft at Lake Mead
- The final shortage guidelines must be flexible enough so that, after consultation with the affected Arizona water users and DWR, any necessary reductions beyond 600,000 af are accomplished in the least damaging way. The guidelines also must consider that improved hydrologic conditions may warrant a lesser shortage volume than indicated by the Lake Mead water level elevation
- The DWR process also considered the management of shortages within Arizona among the Priority 4 water users located along the Colorado River mainstem and the CAP. Scottsdale believes that the Secretary must apportion shortages among Priority 4 water users in a manner consistent with the Law of the River and their contracts. The Bureau's environmental impact statement should identify the impact on diversions by each Priority 4 water user under varying shortage conditions.
- The affected Arizona water users and DWR should be allowed to determine how to most efficiently manage shortages within Arizona.
- Shortage guidelines and/or management strategies must assume the Yuma Desalting Plant will be operated at full capacity when considering impacts on lower basin water users. If shortage guidelines and/or management strategies assume the Yuma Desalting Plant will not be operated at full capacity, impacts to lower basin water users must be evaluated. .
- Mexico and Nevada should share in any lower basin shortage.

Scottsdale appreciates the opportunity to comment on this critical issue and looks forward to continuing to work with the State of Arizona and the Bureau in the future with the intention of reaching a satisfactory conclusion for all affected parties.

Sincerely,

A handwritten signature in black ink that reads "David M. Mansfield". The signature is fluid and cursive, with the first name "David" being the most prominent.

David M. Mansfield, General Manager  
Water Resources Department  
City of Scottsdale

Cc: Herb Guenther, Director, Arizona Department of Water Resources